



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

October 31, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

10/29/12 CMS published a correction to an ACA-related Medicare final rule called "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Fiscal Year 2013 Rates; Hospitals' Resident Caps for Graduate Medical Education Payment Purposes; Quality Reporting Requirements for Specific Providers and for Ambulatory Surgical Centers." The final rule implements portions of the following sections: 3001, 3005, 3008, 3011, 3014, 3021, 3025, 3106, 3123, 3124, 3125, 3137, 3141, 3401, 5503, 5506, 10302, 10309, 10312, 10313, 10314, 10319, 10322 and 10324. The amendment corrects technical errors in the final [rule](#), which was published in the August 31, 2012 Federal Register. According to CMS, there have been other technical corrections previously issued that address this final rule (see the [Federal Register](#) on October 3, 2012 and the [Federal Register](#) on October 17, 2012).

The rule revises the Medicare hospital inpatient prospective payment systems (IPPS) for operating and capital-related costs of acute care hospitals. The changes are generally applicable to discharges occurring on or after October 1, 2012. The rule also updates the rate-of-increase limits for certain hospitals excluded from the IPPS that are paid on a reasonable cost basis subject to these limits. The updated rate-of-increase limits will be effective for cost reporting periods beginning on or after October 1, 2012.

The rule updates the payment policies and the annual payment rates for the Medicare prospective payment system (PPS) for inpatient hospital services provided by long-term care hospitals (LTCHs). Generally, the changes will be applicable to discharges occurring on or after October 1, 2012. In addition, the rule implements changes relating to determining a hospital's full-time equivalent (FTE) resident cap for the purpose of graduate medical education (GME) and indirect medical education (IME) payments. The rule establishes new requirements or

revised requirements for quality reporting by specific providers (acute care hospitals, PPS-exempt cancer hospitals, LTCHs, and inpatient psychiatric facilities (IPFs)) that are participating in Medicare. The rule also establishes requirements for the Hospital Value-Based Purchasing (VBP) Program and the Hospital Readmissions Reduction Program.

Read the correction at: <http://www.gpo.gov/fdsys/pkg/FR-2012-10-29/pdf/2012-26505.pdf>

Prior guidance can be viewed at: www.healthcare.gov

News

10/25/12 CMS announced that as a result of the ACA, over 5.6 million seniors and people with disabilities with **Medicare Part D who reached the gap in coverage known as the "donut hole"** have received an automatic discount on their prescription drugs. CMS data show 2,304,955 Medicare beneficiaries have benefitted from the discount as of September 2012. In Massachusetts, as of September 2012, 37,900 individuals had received an average discount amount per beneficiary of \$626. Last year, the ACA provided a 7% discount on covered generic medications for people who hit the donut hole. This year beneficiaries will receive a 14% discount on generics and a 50% discount on their covered brand name prescription drugs. In 2010, nearly 4 million beneficiaries who hit the donut hole received a one-time \$250 rebate under the ACA to help them afford prescription drugs in the coverage gap. These discounts will continue to grow over time until the donut hole is closed completely in 2020 as required by §1101.

In addition, through §4103 and §4104 of the ACA, HHS announced that over 20.7 million people with original Medicare received at least one **free preventive service** in 2012, including 2.13 million people who received an Annual Wellness Visit. In Massachusetts, 561,008 people received at least one free preventive service, including 112,710 who received an Annual Wellness Visit.

Furthermore, a September 2012 **GAO report** found that prices for high-expenditure, brand-named drugs increased at a similar rate before and after implementation of the Medicare Part D prescription drug discount program. The study also found that prescription drug prices did not increase for other Medicare beneficiaries after the discounts were given.

For the CMS data, visit: [CMS](http://www.cms.gov)

For more information on the donut hole coverage, visit: [cms.gov](http://www.cms.gov)

For more information on the free preventive services, visit:

<http://www.hhs.gov/news/press/2012pres/10/20121025a.html>

For the GAO report, visit: <http://www.gao.gov/assets/650/648974.pdf>

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting

November 2, 2012, 2:00 PM - 4:00 PM

State Transportation Building, Conference Rooms 1, 2, & 3, Second Floor

10 Park Plaza

Boston, MA

The purpose of this meeting is to continue discussion on key implementation topics for the Duals Demonstration.

We welcome attendance from all stakeholders and members of the public with interest in the Demonstration. Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at Donna.Kymalainen@state.ma.us.

Money Follows the Person (MFP) Working Group Meeting

November 28, 2012, 2:00 PM -3:30 PM
State Transportation Building
10 Park Plaza
Boston, MA

Please contact MFP@state.ma.us if you would like to attend the meetings. Requests for reasonable accommodations should be sent to MFP@state.ma.us. Although an RSVP is not required, it is appreciated.

An **MFP 101 introductory session** will also be held at the State Transportation Building on November 28, 2012 from 1:30 PM-2:00 PM for those not familiar with MFP.

Bookmark the **Massachusetts National Health Care Reform website** at: [http://mass.gov/national health reform](http://mass.gov/national_health_reform) to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.